ita
industry training authority

DELIVERING RESULTS

ANNUAL REPORT 2005/06

ita
industry training authority

DELIVERING RESULTS: During 2005/06 the Industry Training Authority shifted its focus from establishing a framework for renewal and growth, to building upon that framework to deliver on-the-ground results. This report details the scope and nature of these results, relating to the key goals of industry leadership, training quality, training expansion, and effective funding.

TABLE OF CONTENTS

Message from the Chair	1
Message from the CEO	2
Organizational Overview	3
Year in Review: Highlights	6
Report on Performance	8
Alignment with Government's Strategic Plan	14
Financial Report	15
Corporate Governance	24
A Closer Focus on Key Results	25
Key Statistics	32
Glossary	36

Photography Credits: Many of the photographs used in this report were kindly supplied by the College of New Caledonia, Okanagan College, and Thompson Rivers University. The Industry Training Authority gratefully acknowledges this assistance, which has enabled it to better represent the range of industry training offered throughout British Columbia.

Library and Archives Canada Cataloguing in Publication Data

British Columbia. Industry Training Authority.
Annual report. — 2003/04-

Annual.
Report year ends May 31.
Each issue also has a unique title.
Also available on the Internet.
ISSN 1703-9422 = Annual report (British Columbia. Industry Training Authority)

1. British Columbia. Industry Training Authority - Periodicals. 2. Occupational training - British Columbia - Periodicals. 3. Manpower policy - British Columbia - Periodicals. 4. Apprenticeship programs - British Columbia - Periodicals. I. Title. II. Title: British Columbia Industry Training Authority ... annual report. III. Industry Training Authority ... annual report. IV. ITA ... annual report.

HD5715.5.C02B74 354.9'68'0097105 C2004-904546-2

2007-01299/

To the Honourable Colin Hansen
Minister of Economic Development and
Minister Responsible for the Asia-Pacific Initiative and the Olympics

On behalf of the board of directors, I am pleased to present the Industry Training Authority annual report for 2005/06. During this year, we put to the test the framework for growth that we built the previous year, and found it proved equal to the demands placed on it. The framework enabled us to deliver significant and concrete results of direct benefit to our customers and of considerable value to British Columbia as a whole.

We pursued four broad goals and 15 associated performance measures during 2005/06. We met or exceeded our targets — in several cases by a significant margin — on 14 of those measures. We fell slightly short of target on a single measure relating to stakeholder awareness.

We are pleased with this level of achievement, particularly given that growth in demand for training and skilled workers was even stronger than anticipated. Such growth represents both a tremendous opportunity, and a significant challenge from a resource and capacity perspective. We anticipate that its pace will accelerate in the years ahead.

Increased demand to date is reflected most directly in the numbers of registered employers/sponsors and apprentices. We believe these volume increases are indicative of both the strength of the provincial economy, and of recent training improvements. Sustained volume growth will be vital to addressing already evident skill shortages, which demographic trends are sure to exacerbate.

Key among our specific achievements during 2005/06 was the launch of the first Industry Training Organizations. Three of these sector-specific organizations are now in operation, and a number of others are at various stages of development. They are playing a key role in defining training needs, planning delivery, and setting and maintaining program standards.

As our performance indicates, we made a number of important strides forward regarding training quality in 2005/06. These included continued efforts to update programs and evaluation standards, and the development of key customer service standards. This is consistent with an enhanced focus on accountability — encompassing all aspects of our own operations and third-party training and service delivery.

Agreement with public training providers on a financial and accountability framework was a particularly important milestone during the year. It will be a basis for better-prioritized training delivery, standardized outcomes from Entry Level Trades Training programs, and more cost-effective training in the years ahead.

The collective impact of our efforts, we believe, is reflected in increased and high customer satisfaction levels. And we are pleased to have managed significant growth, and improved service delivery and quality, within a funding envelope consistent with that of previous years.

There will be a need to foster and manage further growth in the years ahead, given the expectation that we are in the midst of a period of heightened economic activity. The ITA and all of its partners will be challenged to further optimize existing training-delivery capacity, and to innovatively and strategically expand it. The recent increase in our budget allocation, which will be largely directed to training delivery, will be of considerable assistance in this regard.

Demand-side growth (employers' desire to hire apprentices) remains strong, but the supply-side (prospective apprentices' desire to pursue training) has the potential to become a significant constraint. Our most recent customer and stakeholder surveys confirm that such constraints are already being felt. In response, we will continue our existing youth recruitment efforts, and likely enhance our supply-side initiatives over time. This will be vital to sustaining future growth.

This annual report was prepared under the board's direction in accordance with the *Budget Transparency and Accountability Act*. The board is accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of the ITA for the 12 months ended March 31, 2006. All significant decisions, events and identified risks as of June 1, 2006 have been considered in preparing the report.

Bev Brincos
Chair, Board of Directors

To Our Stakeholders

There is no better measure of an organization's effectiveness than the extent and value of the results it delivers to its customers, and the Industry Training Authority takes considerable pride in its results during 2005/06. Key among them:

- significantly expanded training participation, which will in turn produce more skilled workers for industry in the years ahead;
- a framework for more direct industry engagement in training design and delivery; and
- improved currency and quality of training programs and improved customer service.

We have also significantly increased accountability for outcomes throughout the training system, and are heightening our focus on ease of access and other improvements of direct benefit to training participants.

The industry training system has undergone a significant transformation, and further work remains to fully develop the infrastructure needed to meet anticipated demand. That said, we have reached a point where there is a far greater degree of clarity not just in terms of direction, but in terms of specific access points, processes and objectives.

While a system overhaul naturally generates uncertainty and even controversy in its early stages, I sense a broadening comfort level with the state of industry training in British Columbia. There's a consistent "let's get it done" attitude among all of the many stakeholder groups with whom we routinely work and maintain dialogue.

I am very encouraged by the degree of industry engagement, and the eagerness on the part of a growing number of sectors to explore and develop Industry Training Organizations. Several ITOs are already in operation, and important milestones were reached during 2005/06 in the ICI construction sector (mainstream, commercial, industrial). We expect to launch that large ITO during 2006.

We continued to work closely and productively with public training providers, with whom we reached an important agreement on a financial and accountability framework. It will be the basis for rigorous planning and prioritization of training delivery.

Based in part on discussions with private trainers and their representatives, we have also established policies that will enable us to better use capacity within those institutions to meet growing training needs.

And our already strong relationships with school districts and educators in the K-12 system expanded further this year. Participation in existing programs grew, and we added the new YES2IT program targeting grades 10 to nine. I am particularly optimistic because of what we sense to be a favourable shift in attitudes towards the trades, particularly among youth. We have now established a baseline against which to measure future progress in this regard.

Continued engagement on the part of all of our stakeholders will be key to ongoing progress. We need to sustain the momentum that has seen record numbers of employers and apprentices enter the system in recent years, and ensure we have adequate capacity to support further growth. Efforts to keep the supply and demand sides of the equation in balance — particularly by attracting more youth and under-represented groups — will become even more important over time.

I'd like to thank our stakeholders for the contributions they have made to our collective efforts to meet these challenges. The results that are detailed in this report are evidence of the quality of those contributions. We look forward to ongoing engagement in 2006/07 and beyond, as we work to build on recent results and to sustain growth.

Brian Clowes,
Chief Executive Officer

ORGANIZATIONAL OVERVIEW

VISION, MISSION AND VALUES

The Industry Training Authority governs and advances the provincial industry training system, within a framework of strong industry leadership. It works to meet the rapidly expanding demand for skilled workers and to align training outcomes with labour-market needs. The ITA's activities are guided by the following vision, mission and values:

VISION: British Columbians have affordable access to quality, responsive, integrated and accountable industry training that will meet the needs of industry and apprentices.

MISSION: The ITA provides effective governance for British Columbia's industry training system, thus assuring a timely supply of skilled labour for industry and career development opportunities for British Columbians. The ITA facilitates industry leadership in the training system, thereby assuring the relevance and effectiveness of training outcomes.

VALUE: QUALITY

Our standards will be clear, measurable and outcomes-based. Training will be current and relevant. We will use competitive training sources, while maintaining the highest standards of training.

VALUE: SKILL DEVELOPMENT OPPORTUNITY

Training will be accessible to British Columbians and we will recognize skills obtained in other jurisdictions. British Columbia credentials will be portable throughout the province and other jurisdictions. The system will be flexible and offer multiple paths and timeframes. We recognize the need to provide opportunities to trainees for personal development and life-long learning.

The ITA's board of directors regularly validates the organization's vision, mission and values, and assesses relevant strategic issues. This occurs in part through an annual strategic planning exercise, the outcome of which informs the organization's goals and performance measures.

During the most recent strategic planning exercise, the board focused on the following four strategic issues: the framework for rollout of Industry Training Organizations (ITOs); a financial and accountability framework for public training providers; customer service delivery; and the scope (programs and sectors) of ITA operations.

There is a high degree of alignment between the direction provided by the board with respect to these strategic issues, and the goals and performance measures on which this document reports.

PUBLIC INTERESTS AND MANDATE

The ITA advances the public interest in the availability of effective educational and training opportunities. Such opportunities are the means by which expanding and evolving skills requirements in specific sectors of the labour market are met. They are therefore vital to continued economic vibrancy and growth.

The ITA's contribution relates to a wide range of traditional trades and to emerging new training fields. The common elements in the training which the ITA has responsibility for are that it is conducted primarily on the job and developed in close collaboration with industry.

The ITA's legislative mandate is defined in the *Industry Training Authority Act* and further specified through Shareholder's Letters of Expectations, executed by the Ministry of Economic Development, and through Budget and Accountability Letters, executed by the Deputy Minister. The annual service planning and reporting process — of which this document is a key element — is another means by which the ITA is held accountable for achievement of its mandate.

The *Industry Training Authority Act* creates the following key powers and responsibilities on the part of the ITA:

- designate training programs as recognized programs;
- recommend accredited (Red Seal) programs to the minister;
- develop standards for recognized and accredited programs;
- determine eligibility for participation in programs;
- develop examination and assessment standards;
- develop criteria to award credentials;
- recognize and approve trainers;
- award, or authorize trainers and training institutions to award, credentials; and
- fund training and set standards for trainers receiving funding.

Further accountabilities and governance requirements for the ITA and other Crown agencies are set out in the *Budget Transparency and Accountability Act*, the *Financial Information Act* and the *Financial Administration Act*.

STRUCTURE AND SERVICE DELIVERY

The ITA has a staff of 37, most of whose members work from an office in Richmond. It serves a two-part customer base made up of:

i) industry — defined as any employer or group of employers with a need for formally trained workers possessing credentials within the ITA's scope of operation; and

ii) learners — defined as apprentices and trainees who participate in industry training programs with the intent of obtaining credentials.

Core program areas and customer services for which the ITA is responsible include:

- reviewing and approving new training programs and credentials;
- coordinating program implementation and delivery (including accountability-based funding for public and private post-secondary training providers);
- maintaining program standards, including oversight of curriculum development and approval of evaluation tools;
- tracking of apprentice progress against completion requirements and issuing certificates;
- providing opportunities for certification based on challenge exams;
- developing, administering and funding programs for secondary school students;
- promoting industry training-based careers; and
- fulfilling British Columbia's responsibilities as a participant in the Red Seal inter-provincial program.

Standards setting — or, increasingly, endorsement of standards proposed by Industry Training Organizations — is a particularly fundamental aspect of the ITA's mandate. Standards relate primarily to the content of training programs and to evaluation tools.

The ITA is a small organization operating from a centralized location, with a broad and province-wide mandate. It relies largely on third parties for service delivery. Key partners, the nature of their relationship to the ITA, and applicable accountability mechanisms are identified on the next page.

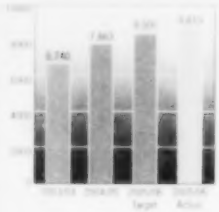
Partner	Relationship to ITA	Accountability Mechanisms
Industry Training Organizations	Sectoral ITOs are being established to assume responsibility for defining training volume requirements, setting and maintaining program standards, developing new training programs and providing services to industry and learners. They do so on a contractual basis, acting as suppliers to the ITA.	ITOs are funded in part by industry and submit business plans annually to the ITA — incorporating goals and performance measures aligned with the ITA's own — as well as quarterly reports. While ITOs operate with significant autonomy, continued ITA funding is contingent on achievement of all contractual requirements.
Training Providers	A range of public and non-public training institutions provide the school-based or technical training components of industry training programs, in accordance with standards set by the ITA, and as a prerequisite to the awarding of ITA credentials.	The ITA has reached agreement with the post-secondary public institutions, to which it provides funding for training delivery, on a financial and accountability framework. Some private trainers also receive ITA funding, under contracts containing defined performance requirements. All private trainers offering programs for which ITA credit is granted, whether or not funding is provided, are now subject to a designation process.
[illegible]	[illegible]	[illegible]

In addition to its customer and service-delivery relationships, the ITA has established broad working relationships with various stakeholder groups. These include trade unions and affiliated organizations, representatives of Aboriginal organizations and other currently under-represented groups, and educators within the K-12 system.

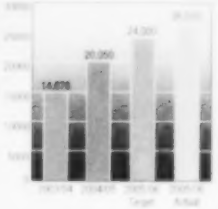
YEAR IN REVIEW: HIGHLIGHTS

2005/06 Performance

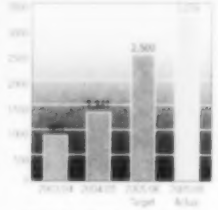
Employers/Sponsors



Apprentices



Youth (ACE IT & SSA)*



* Prior to the 2005/06 fiscal year, ITO measure tracked only participants in the SSA program. It has now been revised to include both ACE IT and SSA participants, less any students registered in both programs. Youth participants are also included in overall trained apprentice figures. (see page 30.)

Established a partnership with Thompson Rivers University in Kamloops, through which an undergraduate degree program for the trades will be developed – including a bachelor's program designed to meet the growing shortage of trained trades educators.

Launched the first Industry Training Organization in the horticultural sector (the sector from which the proposal that became the blueprint for ITOs originated).

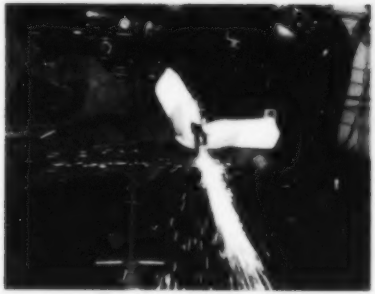
new apprentices registered during the month

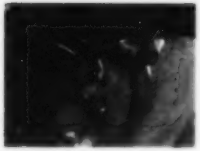
AUGUST 05

SEPTEMBER 05

September 2005:
Updates and modifications to various existing industry training programs were ongoing – including the industry-led Electrical Program Standards Review, which involved regional stakeholder forums around the province.

new apprentices registered during the month, including 597 new youth participants (ACE IT and SSA).





September 2005:
Reached agreement with public training providers on a new financial and accountability framework – involving new planning and accountability requirements for training delivery, delivery prioritization and standardized outcomes for apprentices.

Distributed additional funding of $2.0 million to training providers, which was used to create 1,235 more spaces in apprenticeship technical training programs between October 2005 and April 2006.

1,200 new apprentices registered during the month.

Implemented a system for tracking the accumulation of work-based training hours by apprentices – providing an ongoing and more accurate assessment of progress towards program completion and an opportunity to earn credentials faster.

Reached agreement on a governance framework for an institutional, Commercial and Industrial Construction Industry Training Organization. As of March 2006, three ITOs were formally launched and discussions were at various stages with four additional sectors.

Received $1.5 million in additional funding from the Province which will be used for the acquisition of a mobile unit to deliver training in aboriginal and remote northern communities.

OCTOBER 05 | NOVEMBER 05 | DECEMBER 05 | JANUARY 06

Approved seven new training programs brought forward by industry during 2005/06. This included, for example, a new Oil and Gas Rig Technician program – targeting a key skill shortage and providing a training option that was previously unavailable in the province.

Established and piloted a new policy and designation process for private trainers, to provide assured quality control and credentialing outcomes for apprentices, and to make more effective use of the private training system's capacity.

1,269 new apprentices registered during the month, including 700 new youth participants (ACE IT and SSA).

Launched the YES 2 IT (Youth Exploring Skills to Industry Training) Program, in partnership with the Ministry of Education. This program will support hands-on exploration of trades-related skills and careers by students in grades six to nine.

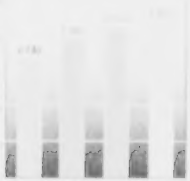
new apprentices registered during the month.

Completed, ahead-of-schedule, the process of updating and activating all 21 Red Seal or inter-provincial exams for which British Columbia has responsibility – making it one of the few jurisdictions to be completely up-to-date on its host province responsibilities.

new apprentices registered during the month.

2005/06 Performance

Employers "Sponsor"



Established a partnership with Thompson Rivers University in Kamloops, through which an undergraduate degree program for the trades will be developed – including a bachelor's program designed to meet the growing shortage of trained trades educators.

Launched the first Industry Training Organization in the horticultural sector, the sector from which the proposal that became the blueprint for ITA's originated.

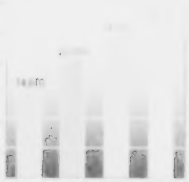
New apprentices registered during the month

September 2005

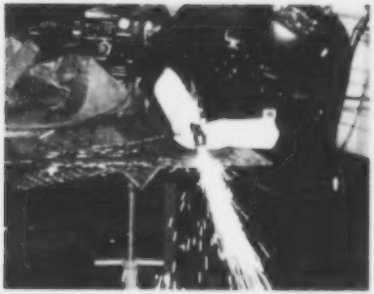
Updates and modifications to various existing industry training programs were ongoing – including the Industry and Electrical Program Standards Review, which involved regional stakeholder forums around the province.

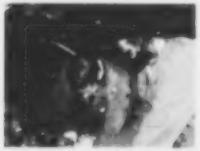
SEPTEMBER 05

Apprentices



New apprentices registered during the month including 137 new youth participants (ACE IT and GA).

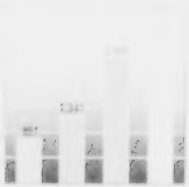




September 2005

Reached agreement with public training providers on a new financial and accountability framework – involving new planning and accountability requirements for training delivery, delivery prioritization and client/school outcomes for apprentices.

Youth Part of ITA (GA)*



DECEMBER 05

INTRODUCTION

The Industry Training Authority's efforts during 2005/06 were focused on delivering concrete results for customers, using the framework developed during its inaugural year. Four goals and 15 associated performance measures were contained in the ITA's Service Plan update of September 2005. As of March 31, 2006:

- targets for 11 quantitative performance measures had been exceeded, by significant margins in a number of cases;
- targets for three other performance measures – relating to the establishment of standards, measures and baselines – had been met; and
- one target was not met – relating to the maintenance of the baseline measure of stakeholder awareness – although only by a narrow margin.

OPERATING ENVIRONMENT

The most significant aspect of the ITA's operating environment remains the vibrancy of the economy and the expanding demand for skilled labour. Demographics – and the unprecedented levels of retirements that will occur in the years to come – are another key feature.

British Columbia's economic growth is projected to continue to outperform Canada's as a whole during 2006. The province had the strongest job growth rate in Canada in 2005, and the creation of more than 30,000 jobs is forecast in each of 2006 and 2007. This is expected to further decrease already record-low unemployment rates, and is occurring at the same time that labour force growth is poised to slow.

The result is high and growing demand for skilled workers and training capacity. This is occurring both in sectors that have traditionally made use of industry training, and in a growing number of others that are recognizing the value of formalized training and credentials.

These factors have significantly influenced the ITA's selection of goals and performance measures, and are reflected in the emphasis on system expansion, involving both demand (employer) sponsors) and supply (apprentices). Demand-side growth is currently occurring largely as a natural outcome of economic conditions, and of increased industry recognition of the value of training. Supply-side growth represents a significantly more limiting factor.

Perception issues and other supply-side barriers to entry are therefore also an important feature of the ITA's operating environment. This accounts for the organization's focus on increased youth participation. Lowering the average age of apprentices will be particularly beneficial in meeting long-term labour-market requirements.

The operating environment has contributed to successful achievement of system expansion measures. However, it also challenges the ITA to provide sufficient capacity to serve rapidly growing volumes of participants, while still achieving quality and outcomes-related objectives.

Establishment of Industry Training Organizations (ITOs), and devolution of significant responsibilities to them, is a key capacity-enhancement strategy. To date, the degree and effectiveness of industry engagement is proving strong. Efforts to enhance prioritization and innovation are also key to maximizing capacity in training delivery and across the entire industry training system.

GOALS AND MEASURES: SELECTION

Goals and measures have been selected with reference to: the ITA's legislative mandate and directions from government; ongoing dialogue with customers and stakeholders; and, continual analysis of training and labour market conditions and best practices.

The first three goals encompass the broad outcomes believed to be of most relevance from the standpoint of customers and stakeholders:

- **Industry Leadership** – job readiness, labour market relevance
- **Quality Training** – high standards and service quality
- **Expanded Training** – sufficient availability and capacity

The fourth goal – effective funding and training – is a pre-condition for achievement of the other three. The goals and measures are closely aligned with the ITA's vision, mission and values.

Performance measures include quantifications of participation and infrastructure development (which are of strong stakeholder interest), and outcomes-oriented measures. Current outcomes-oriented measures include service-level standards, satisfaction and awareness indices, and completion rates. Measures of this type are likely to assume increased importance over time.

The extent of control exercised by the ITA has also been a factor in measurement selection. Only measures over which the organization has a meaningful degree of control have been selected, while recognizing that responsibility for success will always be shared. Measurement feasibility and data reliability have also influenced measure selection.

Targets have been set with reference to recent trends, anticipated needs, and capacity. In some cases, longer-term targets will most appropriately be set by ITOs.

Measure-specific comments on rationale and performance-influencing factors are provided below.

GOALS AND MEASURES: REFINEMENT

There is a high degree of continuity between the goals and performance measures contained in the ITA's Service Plan update of September 2005 – reported on below – and those contained in its most recent Service Plan for 2006-07–2008-09.

As is noted below, reporting against four goals will be discontinued. This is because they are either fully achieved, or encompassed in other measures or processes. A stand-alone goal relating to stakeholder awareness and youth intent has been added in the most recent service plan. There has been some re-grouping of measures relative to goals, and the description of some goals and measures has been refined. (Refined descriptions of measures are used below.)

The 2006-07–2008-09 Service Plan is available at http://www.itabc.ca

Mary Anne Davidson, chief executive officer of the Residential Construction Industry Training Organization (top) is seen here at the event at which this organization was launched. The event was also attended by Minister of Economic Development Colin Hansen (bottom right). The RCITO is one of three sectoral Industry Training Organizations now in operation.

ENGAGE INDUSTRY IN A TRAINING LEADERSHIP ROLE

Strategies:

- Establish Industry Training Organizations to assume a leadership and coordinating role within defined industry sectors
- Increase the number of employers/sponsors offering apprentice placements

Measuring point:
Number of Industry Training Organizations in operation

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	**2004/05**	**Target**	**Actual**	**2006/07**	**2007/08**	**2008/09**
Not applicable	0	2 (total)	3 (total)	6 (total)	10-15 (total)	10-15 (total)

ITOs are the key mechanism through which industry is assuming industry training leadership, and they play an important role in quality control and service delivery. The scope of their operation is therefore a direct measure of industry leadership. Performance against this measure is heavily influenced by industry willingness to engage and invest in ITO formation. Success has been enhanced by the growing recognition of the importance of training as part of broader labour-force development strategies, both within and beyond the traditional trades.

Measuring point:
Number of registered employers/sponsors with an active apprentice on staff

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	**2004/05**	**Target**	**Actual**	**2006/07**	**2007/08**	**2008/09**
6,740	7,863	8,500	8,819	9,500	10,500	Based on ITO forecasts

Growth in employer/sponsor participation is a key indicator of both the extent of industry engagement and of system expansion. Performance against this measure is largely influenced by general economic conditions – which impact employers' capacity to provide work-based training. ITA efforts to facilitate involvement on the part of a diverse range of employers/sponsors, and to improve service delivery, are also believed to have contributed. (NB: In the ITA's most recent service plan, this measure is linked to the system expansion goal.)

Strategies:

- Update industry training program curriculum and assessment tools to established industry, provincial and inter-provincial standards, including both recognized and accredited training programs
- Ensure full compliance with British Columbia's Red Seal host province obligations for assigned occupations
- Ensure service levels meet customers' needs
- Increase customer service satisfaction (as measured via a Customer Satisfaction Index)
- Improve apprentice program completion rates
- Ensure stakeholder awareness of and engagement in the ongoing development of the training system

Measuring point:
Number of industry training programs updated to established industry, provincial and Red Seal standards

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	**2004/05**	**Target**	**Actual**	**2006/07**	**2007/08**	**2008/09**
Not applicable	0	5 (total)	9 (total)	10 (total)	15 (total)	30 (total)

Regular and rigorous program updates are necessary to ensure alignment with evolving industry practices and needs, and are a pre-condition for quality training outcomes. Strong performance against this measure to date has been largely a function of the dedication of sufficient internal ITA resources, but is also reliant on the effective engagement of industry expertise. ITOs will increasingly drive program updates, and be key influencers of continued success.

Measuring point:
Number of Red Seal exams updated to the Provincial Computerized Examination Management (CEM) standards

Past performance		2005/06 Performance *Target exceeded*		**Future performance** Measure discontinued. Systems are in place to ensure that all exams for which British Columbia has host-province responsibility are continually updated and activated to ICEMS.
2003/04	**2004/05**	**Target**	**Actual**	
Not applicable	7 of 21	15 of 21	21 of 21	

Regular review and updating of Red Seal exams is provided for through assigning "host province" responsibilities for specific ones. Like many other jurisdictions, British Columbia's responsibilities in this regard were not previously up-to-date, thus impacting the quality of evaluation nationally. Ahead-of-target completion of this work was achieved in an innovative and resource-efficient manner, entailing the development and use of banks of industry experts.

Indicator
Service level standards established for key business processes

Past performance		2005/06 Performance *Target met*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
Not applicable	Not applicable	Establish standards and performance targets	Standards and performance targets established	Confirmation of Registration: 20 days; Prior Experience Assessment: 60 days; Certification: 15 days; Exam Results: 15 days	Maintain or improve	Maintain or improve

Service quality is a key determinant of customer satisfaction, an important underlay to system expansion, and a central element of overall training quality. Only rudimentary service standards previously existed. The ITA assessed a range of potential business processes and associated standards, and selected four that encompass most key client interactions and outcomes. Performance against this measure will be influenced by the sufficiency of support, resources and infrastructure available to the third-party service providers with whom the ITA contracts.

Indicator
Customer satisfaction index (independent survey of apprentices, employers/sponsors and industry associations)

Past performance		2005/06 Performance *Target exceeded*		Future performance[2]		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
Not applicable	62[1]	68	81	72	76	80

This is one of the most outcomes-oriented measures of success for a service-delivery organization, and satisfaction levels will also have a bearing on achievement of objectives relating to system expansion. Above-target achievement is attributed to broad efforts to increase service quality and access, and to a focus on the needs of training participants (apprentices and employers/sponsors).

Indicator, Baseline, Satisfaction Assessment Index (independent survey of apprentices, employers/sponsors, training providers, industry associations, others)

Past performance		2005/06 Performance *Target not met*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
Not applicable	81[1]	81 or higher	78	Maintain or improve	Maintain or improve	Maintain or improve

This measure is of particular importance to an organization that remains relatively new, and which is providing different service access points than existed in the past. Awareness levels will also have a bearing on achievement of objectives relating to system expansion. This is the only service plan target that was not achieved. This appears to reflect in particular a need for enhanced communication channels with training participants (apprentices and employers/sponsors), many of whom are new to the system. Ongoing refinement of the ITA's communications program is expected to result in improvements. (NB: in the ITA's most recent service plan, this measure is linked to a stand-alone awareness/intent goal and associated strategies.)

Indicator
Apprentice program completion rate

Past performance		2005/06 Performance *Target met*		Future performance
2003/04	2004/05	Target	Actual	
Not applicable	Not applicable	Establish completion rate measure	Completion rate measure and baseline established: 42% of apprentices were issued a credential within six years of registration (baseline)[1]	This measure remains in place, and specific improvement targets for the current and future fiscal years will be based on an assessment in 2006/07.

Low completion rates are recognized as a problem in industry training programs across Canada, and there are indications of recent declines and of high variability between trades. There is, however, no common methodology for calculating completion rates. A measure has now been defined in British Columbia. Research indicates that performance is influenced by a wide range of factors. The ITA is concentrating on those over which it has a high degree of control, such as localized training delivery. The biggest influencer is believed to be availability of work, which is not a limiting factor at this time. Given typical industry training program completion times, current completion rates still largely relate to apprentices who began their programs prior to the ITA's establishment. (NB: in the ITA's most recent service plan, this measure is linked to the system expansion goal.)

Strategies:

- Increase number of apprentices registered with ITA in recognized and accredited industry training programs, and number of employers/sponsors offering apprentice placements
- Increase the number of ITA credentials granted
- Increase youth participation in industry training through the ACE IT (Accelerated Credit Enrolment in Industry Training) and SSA (Secondary School Apprenticeship) programs
- Establish competency-based assessments for industry training (practical assessments)

Indicator

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
14,676	20,050	24,000	26,525	33,000	35,000	Based on ITO forecasts

Growth in apprentice participation is the most fundamental indicator of system expansion. Performance against this measure is influenced by general economic conditions – which impact employers' capacity to provide work-based training. ITA efforts to recruit larger numbers of youth, to improve service delivery to apprentices generally and to increase technical training accessibility and capacity, are also believed to have contributed significantly. Given current economic and demographic forecasts, as well as low unemployment rates, the ITA anticipates a continued and possibly heightened focus on supply-side enhancement in future years.

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
2,329	2,378	2,414	2,899	2,700[1]	3,500	4,000

The number of credentials awarded provides a further and more outcomes-oriented indication of system expansion. Following a decline in credentials issued immediately prior to the ITA being formed, total credentials issued are now trending upward with increased registrations. The measure of total credentials awarded, however, must be assessed in combination with the completion rate, which is the subject of a separate performance measure (see above). Credentials awarded include both those awarded on the basis of apprenticeship completion, and those awarded on the basis of challenge exams.

Past performance		2005/06 Performance *Target exceeded*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
961	1,341	2,500	3,259	3,000[2]	4,000	4,000

Growth in youth participation is a further indicator of system expansion. Increased youth participation has particular advantages in that it will help address demographic challenges associated with the high levels of retirement soon to be seen in many trades. Performance against this measure is influenced by perception-related issues that reduce the attractiveness of trades careers to youth. Success against the target is attributed to what are now a suite of programs effectively linking youth to industry training, which have been implemented in partnership with education and industry. Specific strategies addressing youth retention are immediately below, as expected to create further momentum.

Past performance		2005/06 Performance *Target met*		Future performance		
2003/04	2004/05	Target	Actual	2006/07	2007/08	2008/09
Not applicable	Not applicable	Establish baseline measure of intent plan campaign	Baseline measure established: 19.5% of British Columbia youth (grades 10 to 12) intend to pursue a trades qualification after high school; campaign planned[3]	Maintain or improve	Maintain or improve	Maintain or improve

See discussion under immediately preceding measure.
NB: in the ITA's most recent service plan, this measure is linked to a stand-alone awareness/intent goal and associated strategies.

Past performance		2005/06 Performance *Target exceeded*		Future performance Measure discontinued. While the ITA remains committed to the principle of competency-based assessment, specific determinations regarding its applicability are most appropriately made by ITOs.
2003/04	2004/05	Target	Actual	
Not available	2 (total)	5 (total)	6 (total)[4]	

Competency-based assessment can be of particular value in certifying individuals who have acquired defined skills through informal training or experience, or who hold foreign credentials. Availability contributes to increased numbers of qualified tradespeople. Growth in the number of credentials obtainable via competency-based assessments reflects the inclusion of this option in new programs approved by the ITA.

EFFECTIVE FUNDING AND TRAINING DELIVERY

Strategies:

- Ensure all ITA-funded training programs have ITA credentials associated with them.
- Increase the number of apprentices within forecast budget envelope.

Performance measure
Percentage of ITA program delivery funding directed to training programs which lead to an industry-endorsed ITA credential

Past performance		2005/06 Performance *Target exceeded*		Future performance Measure discontinued. The prioritization of training delivery, as set out in the financial and accountability framework with public training providers, will ensure in future that close to 100% of ITA program delivery funding is directed to programs leading to a credential.
2003/04	2004/05	Target	Actual	
Not applicable	25%	35%	38%	

This measure relates to the intent to transition towards the issuing of ITA credentials for all programs which the organization funds. Achievement of the target in 2005/06 is a function of new program approval, standardized credentialing requirements associated with ACE IT programs, re-alignment of existing training delivery priorities to offer more apprenticeship spaces, and progress towards more standardized credentialing outcomes for Entry Level Trades Training programs.

Performance measure
Annual target growth in number of apprentices within the forecast budget

Past performance		2005/06 Performance *Target exceeded*		Future performance Measure discontinued. Continued achievement of participation growth and other targets within its forecast budget is an inherent aspect of the ITA's business practices.
2003/04	2004/05	Target	Actual	
Not applicable	Not applicable	Achieved growth within budget	Achieved above target growth within lower than budgeted expenditures (actual of $79,980,749 vs budgeted of $82,450,000)	

[1] Baseline survey was conducted in July 2005.
[2] These targets were set in 2005 and had already been exceeded by March 31, 2006. They will be updated in subsequent service plans.
[3] Baseline survey was conducted in July 2005.
[4] Completion rates are calculated quarterly by determining how many of the apprentices who registered in the same quarter six years earlier have completed their programs and obtained certification – i.e. 67% of apprentices who registered during 1999/2000 had completed by the relevant quarter of 2005/06.
[5] The target was set in 2005 and had already been exceeded by March 31, 2006. It will be updated in subsequent service plans.
Prior to the 2005/06 fiscal year, this measure tracked only participants in the ITA program. It has now been revised to include both ACE IT and ITA participants, less any students registered in both programs. Both participants are also included in overall Trainee (Apprentice) figures.
[6] The target was set in 2005 and had already been exceeded by March 31, 2006. It will be updated in subsequent service plans.

DATA SOURCES

The Apprenticeship Information Management System (AIMS) is the data source relied on for performance measurement relating to: system expansion/participation, service level standards, and outcomes-based measures of completion rates and credentials awarded.

AIMS is a scheduling and tracking system first developed in 1992. It relies on manual data entry carried out primarily by the ITA's customer service representatives, and by training providers (who enter apprenticeship technical training marks).

AIMS is a legacy system, and its functionality is imperfectly aligned with current business processes. Planning for the design of a replacement registration and tracking system will take place during 2006/07, with implementation in 2007/08.

Because AIMS was designed as a real-time or live system, it was previously impossible to extract directly comparable and consistent participation statistics (e.g. number of registered apprentices) for defined periods in the past. This severely limited the utility of AIMS as a statistical tracking system.

System and procedural upgrades, however, have vastly improved the system's statistical capabilities – providing for stable monthly reporting and performance measurement. Accordingly, management's confidence in the data underlying AIMS-derived performance measurements is high.

Performance measurement relating to customer satisfaction, stakeholder awareness, and youth intent to participate is undertaken by independent market research experts. Accordingly, the confidence level associated with it is also high. There are no data collection uncertainties or issues relating to the balance of the performance measures included in this report.

ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

The Industry Training Authority's vision, mission and values — and the conduct of its business — are fully consistent with, and will support achievement of, the government's overarching vision.

GOVERNMENT VISION: To be a prosperous and just province, whose citizens achieve their potential and have confidence in the future.

In discharging its mandate and carrying out its activities, the ITA conducts itself in a manner that is consistent with government's core values of integrity, fiscal responsibility, accountability, respect and choice.

More specifically, there is a clear alignment between many of the goals and performance measures addressed in this report, and two of government's Five Great Goals for the decade ahead:

GOVERNMENT GOAL: Make Britsh Columbia the best-educated, most literate jurisdiction on the continent.

SPECIFIC LINKAGES

- "Expanded industry training and apprenticeship opportunities" are among the current initiatives identified by government in connection with this goal.
- The percentage of British Columbians successfully completing an apprenticeship, diploma or degree is one of four performance measures identified by government in connection with this goal.

ITA ACTIVITIES

Enabling growing numbers of British Columbians to enhance their skills and attain formal educational credentials is central to the mandate of the ITA. This government goal will be advanced by the pursuit of all organizational goals and performance measures outlined in the preceding section. Measures such as completion rates and number of credentials awarded align particularly closely with this government goal.

GOVERNMENT GOAL: Create more jobs per capita than anywhere else in Canada.

SPECIFIC LINKAGES

- Labour skills shortages are referenced within the discussion of present actions identified by government in connection with this goal (in the context of ensuring impediments to economic development are addressed).

ITA ACTIVITIES

A sufficiently large and skilled workforce is one of the key pre-conditions for job creation. It attracts investment, and enables employers to maximize their productivity and pursue growth opportunities. This government goal will be advanced by pursuit of all organizational goals and performance measures outlined in the preceding section — which are collectively aimed at improving skills levels within the British Columbia workforce.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Industry Training Authority receives the large majority of its funding from the Province of British Columbia, while also collecting a modest amount of revenue from industry training participants in the form of examination and assessment fees.

RESULTS OF OPERATIONS FISCAL 2005/06 (in $millions)

	F 05/06 ACTUAL	BUDGET	VARIANCE	F 04/05 ACTUAL
Revenue				
Contributions from the Province	77.8	77.3	0.5	78.1
Other income	0.7	1.1	(0.4)	0.5
Total Revenue	78.5	78.4	0.1	78.6
Expenses				
Contributions to Training Providers	72.0	70.5	1.5	70.1
Program Expenses	2.0	7.1	(5.1)	1.9
Operating Expenses	4.3	3.6	0.7	3.1
Salaries and Benefits	1.6	1.3	0.3	1.2
Total Expenses	79.9	82.5	(2.6)	76.3
Excess (Deficiency) of Revenues over Expenses	(1.4)	(4.1)	2.7	2.3

The organization's sources of revenue have remained consistent over the two-year period it has been in operation, with the proportions accounted for by provincial contributions and examination and assessment fees being closely comparable.

There was a similarly high degree of consistency in the type and proportion of expenses incurred over this two-year period. Contributions to training providers continue to account for by far the largest proportion of expenses.

Expenses for salaries and benefits, travel, professional services, and communications and marketing all increased in 2005/06. This reflects a larger staff complement and higher level of activity. This is a function of both the fuller development of the ITA's activities, and of the tremendous growth in demand for industry training.

The only new expense item in 2005/06 was funding for sectoral Industry Training Organizations. This is a new initiative, and will become a more significant expenditure over time as the ITO framework is more fully rolled out.

As of fiscal year-end, the ITA had a staff of 17. An additional group of 17 staff are responsible for providing customer service to apprentices and employers. These staff are employed by Service BC, with which the ITA contracts for these services.

The external business and policy environment within which the ITA operates is discussed in the "Report on Performance" section above (see page 8). Aspects of particular relevance from a financial performance standpoint include:

- a strong economy and heightened level of demand for skilled labour, which create needs to further optimize and expand training capacity while maintaining quality;
- the assumption of broader and more direct responsibility for many aspects of industry training by industry itself, which requires the transfer of growing levels of funding to ITOs; and
- the imperative of ensuring coordinated and prioritized training delivery throughout British Columbia, while making use of an expanding network of public and private training providers.

The financial impacts of these issues are, to date, being managed in such a way as to achieve targeted growth within available budgetary resources. The ITA's budget allocation for future years has been increased.

REPORT OF MANAGEMENT RESPONSIBILITY

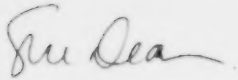
The financial statements of the Industry Training Authority for the year ended March 31, 2006 have been prepared by management in accordance with Canadian generally accepted accounting principles. These principles have been applied consistently, with the most significant of them set out in note 2 to the financial statements. These statements are presented on the accrual basis of accounting. Recognizing that the ITA is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements present fairly the financial position of the ITA as of March 31, 2006 and the operating results for the year then ended.

The board of directors has appointed a Finance Committee consisting of three outside directors. The committee meets during the year to review with management and the auditors any significant account, internal control and auditing matters, and to review and finalize the annual financial statements of the ITA along with the independent auditor's report prior to the submission of the financial statements to the board of directors for final approval.

The Authority's accounting procedures and related systems of internal control are designed to provide reasonable assurances that its assets are safeguarded and its financial records are reliable.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Industry Training Authority. The auditor's report outlines the scope of his examination and expresses an opinion on the financial statements of the Industry Training Authority. The auditor's opinion is based upon an independent and objective examination of the Authority's financial results for the year, conducted in accordance with Canadian generally accepted auditing standards.

Brian Clewes
Chief Executive Officer



Sue Deans, CMA
Chief Financial Officer,
Director of Administration

REPORT OF THE OFFICE OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

To the Members of the Board of Directors of the Industry Training Authority, and
To the Minister of Economic Development, Province of British Columbia

We have audited the balance sheet of the Industry Training Authority as at March 31, 2006 and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
May 5, 2006

Errol S. Price, CA
Deputy Auditor General

BALANCE SHEET

As at March 31, 2006

		2006		2005
ASSETS				
Cash (Note 3)		9,203,050		6,620,095
Accounts Receivable				
Province of British Columbia		77,940		1,434,260
Other		82,114		31,388
Prepaid Expenses		502,595		69,624
		9,865,739		8,155,367
Capital Assets (Note 4)		530,135		328,568
	$	10,395,874	$	8,483,935
LIABILITIES				
Accounts Payable and Accrued Liabilities		4,574,201		2,229,927
Deferred Contribution (Note 5)		1,353,297		1,826,940
Deferred Capital Contribution (Note 6)		1,658,724		217,764
NET ASSETS				
Invested in Capital Assets		371,411		110,804
Unrestricted		2,438,241		4,098,500
		2,809,652		4,209,304
	$	10,395,874	$	8,483,935

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors

Bev Briscoe
Chair

Brian Clewes
Chief Executive Officer

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2006

	Invested in Capital Assets	Unrestricted	Total 2006	Total 2005
Balance, Beginning of Year	$ 110,804	$ 4,098,500	$ 4,209,304	$ 1,877,153
Excess (Deficiency) of Revenues over Expenses for the Year	—	(1,399,652)	(1,399,652)	2,332,151
Investment in Capital Assets:				
Cost	339,550	(339,550)	—	—
Depreciation	(78,943)	78,943	—	—
Balance, End of Year	$ 371,411	$ 2,438,241	$ 2,809,652	$ 4,209,304

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES AND EXPENSES

For the Year Ended March 31, 2006

	2006	2005
Revenues		
Contributions from the Province	$ 77,847,443	$ 78,054,060
Examination and Assessment Fees	218,660	193,735
Interest Income	358,655	220,012
Amortization of Deferred Capital Contributions	59,040	59,040
Other Income	298	59,869
	78,484,096	78,586,716
Expenses		
Contributions to Training Providers (Note 9)	71,884,240	70,207,772
Customer Services (Note 9)	2,184,640	1,815,045
Program Development Costs	1,416,047	1,581,108
Industry Training Organizations (Note 10)	639,007	—
Secondary School Scholarships	189,433	160,500
Salaries and Benefits	1,616,518	1,173,983
Board Fees and Expenses	84,809	79,772
Travel	166,886	100,512
Professional Services	450,535	369,119
Building Occupancy Charges (Note 9)	113,994	97,746
General Office and Business Expenses	102,728	108,801
Information Systems Operating Costs	136,456	127,817
Communications and Marketing	758,991	330,418
Depreciation Expense	139,465	101,972
	79,883,748	76,254,565
Excess (Deficiency) of Revenues over Expenses for the Year	$ (1,399,652)	$ 2,332,151

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2006

		2006		2005
Operating Activities				
Excess (Deficiency) of Revenues over Expenses for the year	$	(1,399,652)	$	2,332,161
Items not affecting Cash Equivalents:				
Deferred Contributions Recognized as Revenue		(513,643)		(773,060)
Amortization of Deferred Capital Contributions		(59,040)		(59,040)
Depreciation Expense		133,465		101,972
Changes in Working Capital				
Decrease in Accounts Receivable		1,308,564		1,947,094
Decrease (Increase) in Prepaid Expenses		(432,971)		28,272
Increase in Accounts Payable and Accrued Liabilities		2,344,274		560,863
		1,384,027		4,138,252
Financing Activities				
Deferred Contributions		40,000		2,600,000
Deferred Capital Contributions		1,500,000		—
Sale of Capital Assets		1,058		—
Investing Activities				
Purchase of Capital Assets		(342,090)		(118,157)
Increase in Cash		2,582,995		6,620,095
Cash, Beginning of Year		6,620,095		—
Cash, End of Year	$	9,203,090	$	6,620,095
Represented by:				
Bank Account – General and Administration		2,237,926		3,107,627
Bank Account – Program		6,946,801		3,486,447
Bank Account – In Trust		18,163		25,821
Petty Cash		200		200
	$	9,203,090	$	6,620,095

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

1. THE AUTHORITY

The Industry Training Authority (the Authority) was established on January 2, 2004 as a corporation and an agent of the Provincial government under the *Industry Training Authority Act*. Its board of directors consists of nine members appointed by the provincial government.

The Authority is mandated to regulate, expand and improve British Columbia's industry training system. The Authority works to better align training and credentials with industry needs, to provide more flexibility for people pursuing training, and to meet the province's skilled labour needs now and in the future.

The Authority receives substantially all of its funding from the Province of British Columbia. The Authority has received Ministry approval for the deficiency of revenues over expenses for the year ended March 31, 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenues and Expenses

The Authority follows the deferral method of accounting for contributions. Operating contributions from the Province are recognized as revenue in the period in which they become receivable. Capital or other restricted funding is deferred and recognized as revenue in the period in which the related expenses are incurred.

Contributions payable to colleges, training institutions and other service providers for training programs are recognized as expenses in the period in which the transactions and events giving rise to the contributions have occurred.

(c) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful life:

PC Hardware and Software	3 years
Computer Mainframe Software	5 years
Furniture	5 years
Leasehold Improvement	3 years

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

3. CASH

Included in the cash and bank balance is $68,863 held in trust for third parties. The corresponding trust fund in the same amount is included in Accounts Payable and Accrued Liabilities.

4. CAPITAL ASSETS

	2006			2005
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
PC Hardware and Software	$ 322,916	$ 63,691	$259,225	$ 53,083
Computer Mainframe Software	352,202	142,178	210,024	217,764
Furniture	109,567	53,901	55,666	57,721
Leasehold Improvement	5,220		5,220	—
	$ 789,905	$ 259,770	$ 530,135	$ 328,568

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent funds restricted externally for specific projects and programs.

	2006	2005
Balance, beginning of year	$ 1,826,940	$ —
Contributions received and receivable during the year	40,000	2,600,000
Amounts recognized as revenue	(513,643)	(773,060)
Balance, end of year	$ 1,353,297	$ 1,826,940
The balance is for the following projects and programs:		
Accelerated Credit Enrollment in Industry Training (ACE IT)	$	$ 426,940
Youth Exploring Skills to Industry Training (YES to IT)	1,353,297	1,400,000
	$ 1,353,297	$ 1,826,940

6. DEFERRED CAPITAL CONTRIBUTIONS

	2006	2005
Balance, beginning of year	$ 217,764	$ 295,202
Contributions received during the year	1,500,000	—
Amounts amortized to revenue	(59,040)	(77,438)
Balance, end of year	$ 1,658,724	$ 217,764

The balance is made up of the following:

	2006	2005
Unamortized capital contributions used to purchase assets	$ 158,724	$ 217,764
Unspent capital funding	1,500,000	—
	$ 1,658,724	$ 217,764

7. EMPLOYEE BENEFIT PLANS

The Authority pays 100% of premiums relating to a comprehensive benefits plan for its employees excluding Long Term Disability. The plan includes extended medical, dental, life insurance and long term disability coverage. Long Term Disability is fully paid for by the employees.

On April 1, 2005, the Authority established an employer-paid group RSP for employees. The plan is mandatory for all new employees and was optional for current employees. Employees who do not participate in the plan receive an amount equal to the employer's contribution to the group RSP. Total employer RSP payments made by the Authority for the year ending March 31, 2006 totalled $75,103 (2005 - $66,855).

The Authority registered with the Public Service Pension Plan as an employer on September 1, 2005. Effective that date, the employees of the Authority became eligible to participate in the plan. Three employees who have opted to join the plan do not receive the payments referred to above. The Authority's contribution for the year ending March 31, 2006 to this plan was $17,174 (2005 - $2,600).

8. COMMITMENTS

The Authority has lease obligations to British Columbia Buildings Corporation for premises and to a supplier for office equipment.

The future minimum obligations under the operating leases are:

	Building Lease	Office Equipment	Total
2007	$ 155,864	$ 14,445	$ 170,309
2008	158,498	13,905	172,403
2009	133,843	7,965	141,808
2010	—	7,965	7,965
	$ 448,206	$ 44,280	$ 492,486

9. RELATED PARTY TRANSACTIONS

(a) Included in Contributions to Training Providers are payments to provincially funded colleges and institutes of $65,868,267 and secondary schools of $2,458,765 for delivery of technical training for the year ending March 31, 2006.

(b) The Authority contracted with Service BC to deliver services for apprentices and employers throughout British Columbia. The Authority has a contract with Service BC until September 30, 2006. The Authority paid $2,103,754 to Service BC for the year ending March 31, 2006.

(c) During the year the Authority paid $158,625 (2005 - $189,667) to companies controlled by a member of the Board of Directors and $116,345 (2005 - $83,500) to companies that had a member of the Board of Directors on staff. The transactions were conducted in the normal course of business and the Board members did not participate in the approval of the contracts.

(d) All office facilities are leased through the British Columbia Buildings Corporation. Total lease payments for the year ending March 31, 2006 were $113,994 (2005 - $97,746).

10. INDUSTRY TRAINING ORGANIZATIONS

During the year, the Authority approved for funding purposes the formation of three pilot project Industry Training Organizations (ITOs), namely, Horticulture Education BC (HEBC), Residential Construction Industry Training Organization (RCITO), and the Automotive Industry Training Association (AITA). These organizations are constituted as not-for-profit entities under the *BC Society Act*. As required by the Authority for funding purposes, the boards of these ITOs comprise industry employers and, in an ex-officio capacity, the Authority. Among other responsibilities, the ITOs are responsible for managing training programs assigned to them by the Authority. The ITOs are accountable to the Authority for its financial activities as related to the funding provided by the Authority. To start up their operations, the three pilot ITOs have to date received substantially all of their funding from the Authority.

The ITO expenses for the year of $639,007 shown in these financial statements include payments made by the Authority to HEBC of $200,000, RCITO of $189,130 and AITA of $91,252, based on contribution agreements with the ITOs.

The accounts of the ITOs are not consolidated in these financial statements.

11. FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Authority is not exposed to significant interest or credit risk arising from these financial instruments.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

CORPORATE GOVERNANCE

PRINCIPLES AND ROLES

The Industry Training Authority is a Crown agency, which is held accountable for fulfillment of its legislated mandate and direction from government through a reporting relationship with the Minister of Economic Development.

The ITA is governed by a nine-member board of directors — independent of government and ITA management — appointed by the minister. The board has a fiduciary role and supervises the ITA's management and oversees the conduct of its business. Directors act in the best interests of the ITA, and not on behalf of a particular interest or constituency.

The board's role consists of: providing vision and strategic direction; reviewing and approving policy and standards (at the level of frameworks and criteria); reviewing and approving program proposals; and resolution and selection of options with respect to major strategic issues.

The board participates in the development of, and ultimately approves, the ITA's service plan. This is done in accordance with parameters set out in a Shareholder's Letter of Expectations, provided by the minister.

The board undertakes an annual governance evaluation. Follow-up arising out of the one conducted during 2005/06 included: a review of the purpose of the Standards Committee (which was ultimately merged with the Policy Committee); development of a preferred skills mix for new directors; and initiation of a program for ongoing board development.

BEST PRACTICES COMPLIANCE

The ITA has a high level of compliance with the recommendations made by the Board Resourcing and Development Office, in section three of its "Best Practice Guidelines for Governing Boards of British Columbia Public Sector Organizations". Deficiencies were identified, as part of the annual governance evaluation, relative to orientation and professional development for directors, and steps initiated to address them.

The specific disclosure requirements listed in section three of the best practices guidelines have been met, and the relevant documentation is available for review at: http://www.itabc.ca

MEMBERSHIP AND COMMITTEES

Board members are drawn from diverse sectoral backgrounds, and have a range of industry and training-related expertise. During 2005/06, the board's committee structure was streamlined, through the merger of the Standards and Policy Committees into a single Policy Committee. The current committee structure and mandates are as follows:

Finance — Assists the board in discharging its financial oversight responsibilities by reviewing financial information to be provided to government, systems of internal controls, funding criteria and processes, and all audit processes.

Human Resources and Governance — Assists the board in discharging obligations relating to such matters as compensation and succession planning, assessments and recommendations relating to board governance effectiveness, and director selection criteria and development.

Policy — Assists the board in the review and approval of policies and in the design and oversight of British Columbia's industry training model, including such key elements as frameworks, criteria, standards, program approval and quality assurance.

BOARD OF DIRECTORS

The members of the ITA's Board of Directors, and their committee responsibilities, are:

Bev Briscoe (chair)	Finance (chair)
Cliff Alderson	Finance
Campbell Black	Policy
Allan Bruce	Policy
Barry Marsden	Human Resources and Governance
Barbara Naef	Finance
Frank Pasacreta	Policy (chair)
Gord Stewart	Human Resources and Governance, Policy
Jim Utley	Human Resources and Governance, (chair)

SENIOR MANAGEMENT

The members of the ITA's senior management team are:

Brian Clewes	Chief Executive Officer
Geoff Stevens	Vice-President, Operations
Sandy Steward	Vice-President, Customer Service
Sue Deans	Chief Financial Officer, Director of Administration
Jeff Nugent	Director, Policy and Research
Lisa Dooling	Director, Communications & Marketing
Russel Robertson	Director, Program Standards
Lindsay Langill	Director, Red Seal Programs
Joe Laminski	Director, Program Implementation

A CLOSER FOCUS ON KEY RESULTS

INDUSTRY STEPS FORWARD

One of the most significant results of 2005/06 – achieved on the basis of a policy framework created the previous year – was the formation of three Industry Training Organizations. ITOs are now operating in the horticultural, residential construction and automotive sectors.

ITOs are the key means by which industry is assuming more direct industry training leadership. They forecast training needs, maintain program standards, coordinate applications for new and modified programs, and provide program-specific information and services to training participants.

These particular ITOs were launched first because of demonstrated industry support, and based on the diversity of training needs and issues within the sectors. Accordingly, they are pursuing different early objectives. This includes cross-jurisdiction credential harmonization in the case of horticulture, and new program development in the case of residential construction.

Experience thus far suggests that ITOs are an effective forum within which to address the full range of a sector's training needs – giving smaller and focused interests a more effective voice than they previously had. They are also working to become sources of sector-specific labour market forecasting.

The scope of ITO coverage is expected to be significantly expanded in early 2006/07 with the formation of an ITO in the ICI construction sector (institutional, commercial, industrial). This sector accounts for more than 20 per cent of all current training programs and over 50 per cent of all current apprentices. Training demand within it is growing at a particularly fast pace.

Agreement was reached among key ICI interests during 2005/06 on terms for board composition and governance of the ITO. This represented a major step forward within a diverse sector in which consensus has traditionally been difficult to achieve.

ITOs submit business plans annually to the Industry Training Authority, which incorporate performance measures aligned with the ITA's own. A total of 10–15 ITOs are expected to be in operation in 2007/08, with the ITA retaining responsibility for programs within sectors without adequate capacity to support an ITO.

"Through an ITO, the construction industry will take the lead in dealing with its skills-shortage challenge. This is an opportunity we've been seeking for a long time, and we're eager to move ahead."

– Phillip Hochstein, President, Independent Contractors and Businesses Association of BC, pictured above, at right

"ICI construction is one of the most complex and diverse industries in BC. Employers came together and developed an ITO framework with the potential to meet most of our needs – and that's nothing short of historic. We look forward to its further development."

– Stanley McLachlan, President, BC Construction Association, pictured above, at left

"We're seeing much faster turn-around times now compared to when we first began registering apprentices two years ago. It's down from two months to sometimes as little as two weeks. In our experience, the customer-service resources are in place to meet current needs."
— Jill Lalberg, Technical and Training Services, Canadian Masonry Contractors Association

FOCUSING ON CUSTOMER SERVICE QUALITY

Service quality results assumed a heightened importance during 2005/06. Customer assessments of service quality are a key element of the Industry Training Authority's score on its Customer Satisfaction Index, which improved significantly in 2005/06 relative to the baseline.

Based on feedback obtained through the survey and other means, the ITA has identified a need to focus on the quality of service delivered to training participants (employers and apprentices), who make up its customers. The ease with which they can navigate the system is believed to have an important influence on training completion rates.

Further improvements will be driven by the adoption of service quality standards and improvement targets for key business processes. These include time to complete a new registration, time to complete an assessment of prior experience, time to issue a certification upon program completion, and time to issue exam results.

These particular measures were selected because of their significance from a training participant perspective, and because they encompass a number of important sub-processes.

A specific service improvement implemented during 2005/06 was the development of a system for tracking work-based hours accumulated by apprentices. While some employers tracked hours in the past, there was no mechanism for reporting them to the ITA. Completion dates were simply estimated based on the number of years typically required to complete the program.

The new system enables routine communication with both apprentices and employers, and regular reporting and confirmation of the specific number of hours accumulated. This will provide an ongoing and more accurate assessment of progress towards completion, and make it possible for many apprentices to earn their credentials sooner.

BRINGING TRAINING CLOSER TO HOME

The accessibility and flexibility of training has a big impact on one of the most important results for the Industry Training Authority – completion rates. Traditionally, technical training has been offered in a "block release" format, involving continuous, full-time sessions, often in centralized locations. For many apprentices and their employers this results in significant disruption and costs.

Various industry associations, Industry Training Organizations (ITOs) and training providers are therefore introducing alternative delivery models. Participation in Wall and Ceiling Installer and Cement Mason technical training, for example, was increased by changes as simple as more evening and weekend availability.

Training providers are also making more types of programs available regionally. Examples include new classes in sheet metal training at Okanagan College, millwright training at Thompson Rivers University, machinist training at the College of New Caledonia, and machinist and plumbing training at North Island College. The new financial and accountability framework agreed to with public trainers will help advance this objective, as will improved labour market information developed by ITOs.

During 2005/06, the ITA commissioned a report on best practices in alternative delivery across Canada. This report will be used as a spring board for the development of a broader strategy.

The ITA recently awarded contracts for the alternative delivery of level one electrical training. One pilot will involve self-paced institution-based delivery and often faster completion, while another will involve web-based training combined with hands-on components.

And in March, the provincial government announced that it would provide $1.5 million in additional funding to the ITA to acquire a mobile training unit for use in rural and Aboriginal communities in northern British Columbia. This will expand local access to technical training in a number of trades.

The ITA has formed a steering committee, and is seeking input on specifications for and usage of the mobile unit, from groups including local school districts and Aboriginal organizations. The BC Chamber of Commerce, the three northern colleges (Northwest Community, New Caledonia and Northern Lights), and the Nicola Valley Institute of Technology (whose mandate is Aboriginal training) are among the partners in this initiative. Demonstration-phase use of the expandable unit is expected to start in early 2007.

"Technical training that's offered close to home is much more affordable and convenient, particularly when you have a family. It also makes us more familiar with codes, practices and industry trends specific to where we live."

– **Angus Ross**, 4th Year Electrical Apprentice, Summerland

Angus was part of the first group of apprentices to be able to complete all of their electrical technical training at Okanagan College.

Pictured above are mobile training units similar to the one that will be deployed in northern British Columbia.

MAXIMIZING SYSTEM CAPACITY

Ensuring sufficient capacity to keep up with the rapidly increasing demand for technical training is and will remain a focal point within the training system. A variety of initiatives pursued during 2005/06 will expand capacity on an ongoing basis.

Features of the financial and accountability framework agreed to with public training providers will result in clear standards and outcomes and improved capacity to respond to demand. At the request of the Industry Training Authority, public post-secondary institutions have agreed to standardize entry level programs. This will free up resources for apprenticeship technical training, which (along with youth programs) is a top ITA priority.

Youth programs usually involve a high school and post-secondary institution partnership. Increased delivery of industry training within high schools also relieves capacity demands on other training providers. And the increased focus on alternative and localized training delivery typically reduces demands on and optimizes use of conventional training facilities.

Another capacity-related initiative involves the use of private trainers. A limited number of private trainers already have contracts with the ITA and play important roles in delivery of specific training programs. But previously, there was no comprehensive system in place to ensure quality control and standardize outcomes relative to private training (an even bigger imperative as the system expands).

The ITA worked closely with the Private Career Training Institutions Agency to develop and pilot a designation process during 2005/06, which is integrated with PCTIA's own registration and accreditation model.

Designation will provide assurances of program and instructional standards, and of the availability of credit towards an ITA credential. Designated trainers will report training outcomes annually to the ITA, and will be re-evaluated every five years.

This process will be a basis for capitalizing on private institutions' growing interest in delivering industry training, and will further expand training system capacity.

NEW PROGRAMS MEET OIL AND GAS SECTOR NEEDS

The Industry Training Authority continued during 2005/06 to review training program proposals, and approved a number that are now at varying stages of rollout. The focus is on areas where there are unmet training needs, high levels of job market demand, and strong industry support.

A good example of a result of this type is the approval of the Oil and Gas Rig Technician apprenticeship program in October 2005, based on a proposal brought forward by the Canadian Association of Oilwell Drilling Contractors.

The oil and gas sector in British Columbia's northeast is booming, and the industry is coping with very significant skills shortages and recruitment and retention challenges. The creation of a dedicated training program and defined career pathway is expected to greatly assist. There was previously no formal training option available for drill operators in British Columbia.

The program will be multi-year and involve three levels. Technical training will be provided at Northern Lights College, which is constructing a new Oil and Gas Centre of Excellence with funding support from industry.

In recognition of the high level of mobility within this industry, the British Columbia program is fully harmonized with a comparable apprenticeship program recently introduced in Alberta. Certified workers won't need to re-train or re-register when moving from one province to the other.

Between 500 and 1,000 people are employed on drilling crews in British Columbia at the peak of the season, performing increasingly complex tasks. Drilling activity levels have expanded rapidly in the province in recent years, and industry estimates of future work force growth vary between 25 and 100 per cent.

POPULAR YOUTH PROGRAMS EXPAND FURTHER

The Industry Training Authority achieved very strong results in youth participation again in 2005/06. Participation in the ACE IT (Accelerated Credit Enrolment in Industry Training) and SSA (Secondary School Apprenticeship) programs increased significantly.

ACE IT is a program developed by the ITA, in partnership with the Ministry of Education. It gives high school students an opportunity to complete their first level of apprenticeship technical training. An evaluation of the first intake revealed highly positive perceptions on the part of participating students, their parents, and employers and educators.

Nearly 90 per cent of the students surveyed from that ACE IT intake indicated they were continuing their apprenticeships. Significantly, 11 per cent indicated they likely would have dropped out of high school in the absence of this program. While 24 school districts took part in the first ACE IT intake in February 2005, that number grew to 34 for the February 2006 intake.

SSA is a long-standing program, which gives high school students an opportunity to start earning work-based training credits. Interest in SSA also continues to grow, and the program was further developed during 2005/06. A program guide was launched, establishing standards and providing practical information for teachers on participant registration, preparation, and evaluation of student learning. A total of 378 $1,000 SSA scholarships were awarded during 2005/06.

And a third youth program was launched during 2005/06 – Youth Exploring Skills to Industry Training, or YES 2 IT – which will provide an opportunity for trade careers exploration for students in grades six to nine. The program is a joint initiative of the ITA and the Ministry of Education, with industry playing an important role.

Through YES 2 IT, schools and school districts can obtain funding for interactive initiatives that expose students to trades-related skills and connect them with tradespeople in their communities. Resource materials have also been developed for teachers and parents, and increased trades awareness on the part of these key influencers will be another important outcome. Applications for the first YES 2 IT intake were received in March 2006, and there will be additional intakes during 2006/07.

FUNDING FRAMEWORK SETS THE PRIORITIES

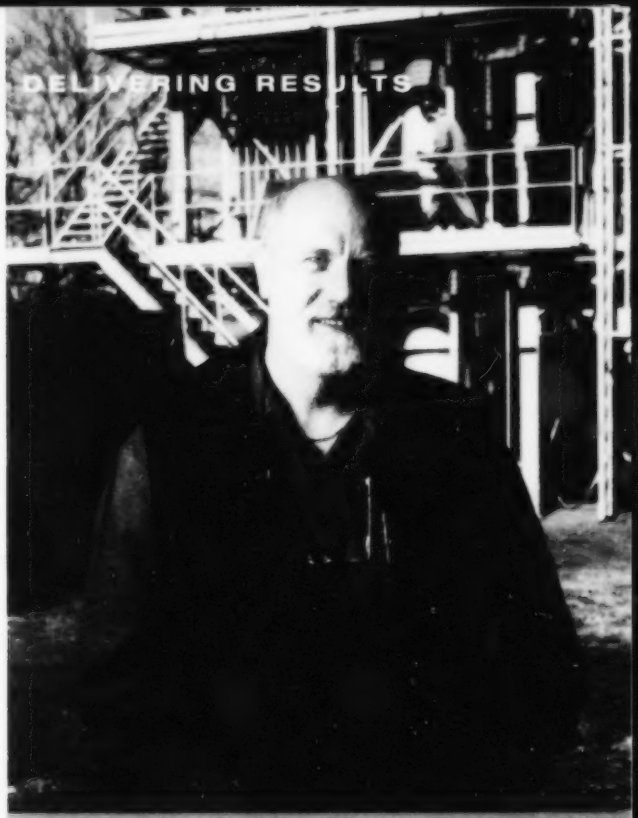
The Industry Training Authority has been in close dialogue with British Columbia's public training institutions since its inception, leading to a significant result in 2005/06 in the form of an agreed-upon financial and accountability framework. It is intended to ensure training delivery is clearly driven by customer needs.

The framework establishes prioritization among types of industry training programs, focusing first on apprenticeship technical training, followed by youth programs, newly approved ITA programs, expansion of local training availability, and Entry Level Trades Training (ELTT) programs. This will ensure training is aligned with current marketplace conditions and strategic imperatives.

The framework also establishes standardized costs for the delivery of ELTT programs, and will address the long-standing issue of variable learning and credentialing outcomes. Beginning in the 2006/07 academic year, all ELTT programs will result in a standardized credit towards an ITA credential (generally level one technical training in a specified trade program).

Standardized program lengths for ELTT are expected to create efficiencies, and to free a larger proportion of funding and physical capacity for apprenticeship technical training. It is expected that this increased capacity will enable people seeking apprenticeship technical training to access it within no more than 12 months (the usual period between levels of technical training).

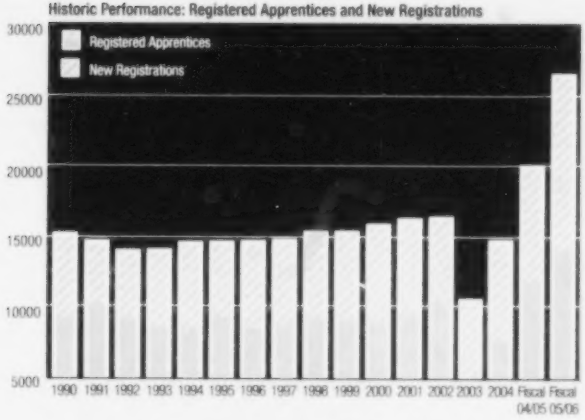
Another key aspect of the framework is agreement on the part of training providers to undertake rolling forecasts in conjunction with Industry Training Organizations, and to submit training plans annually. The ITA will work with public trainers over the next two years to move towards plans that are in complete accord with the framework, and a performance measure to this effect is included in the ITA's most recent service plan.

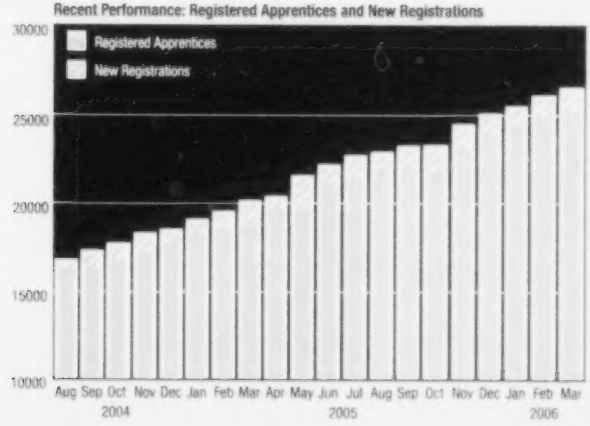


"The financial and accountability principles provide guidance and stability as we work to address the growing shortage of qualified trades workers. They will ensure resources are used effectively, based on provincial standards, and that the public training system remains responsive and accountable. We look forward to strengthened partnerships with both the ITA and emerging Industry Training Organizations."

– Tony Knowles, President, BCIT

HISTORIC AND RECENT PERFORMANCE





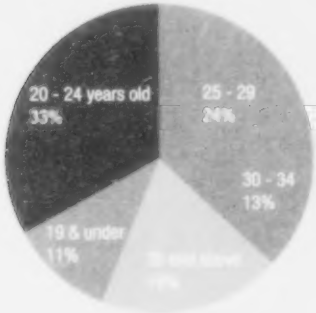
The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The portion of the bars differentiated in this way: ▨ represents the portion of that total which is made up of new registrations during the relevant time period.

Registered apprentice figures from 1990-2002 and those from 2004 onward are not precisely comparable – as a result of the implementation of refined classification and tracking procedures – but do provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when the ITA was formed and only the new registration figure is shown for that time period.

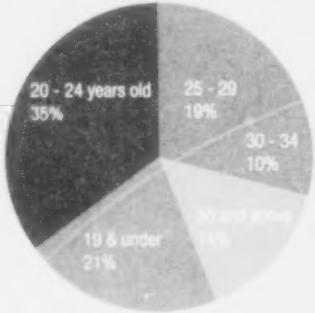
TRAINING PARTICIPANTS

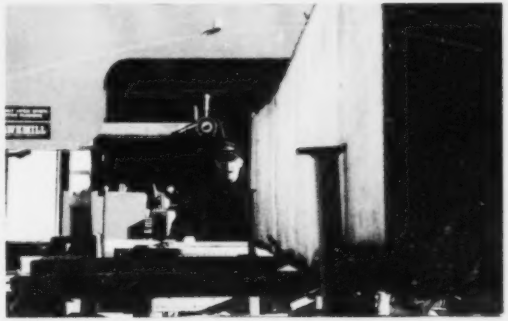
AGE

All Registered Apprentices
as of March 31, 2006



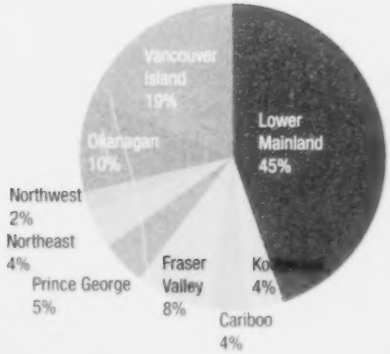
Newly Registered Apprentices
During 2005/06



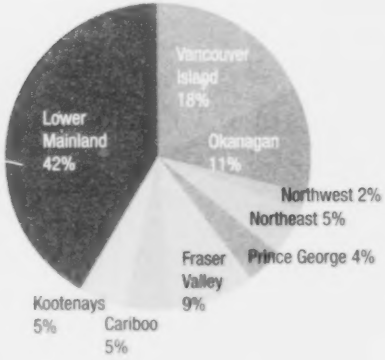


REGION

All Registered Apprentices
as of March 31, 2006

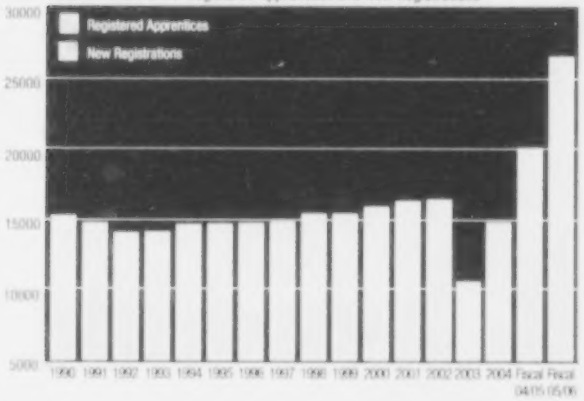


Newly Registered Apprentices
During 2005/06

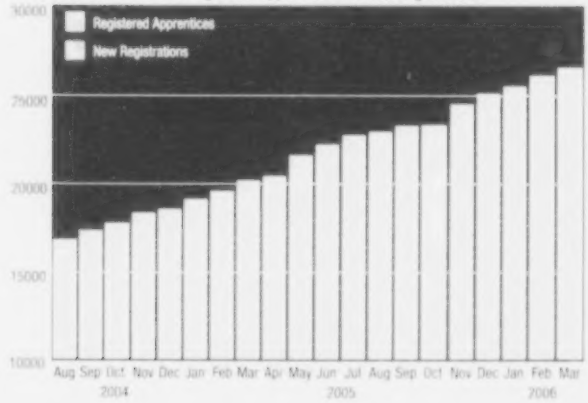


HISTORIC AND RECENT PERFORMANCE

Historic Performance: Registered Apprentices and New Registrations



Recent Performance: Registered Apprentices and New Registrations



The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The portion of the bars differentiated in this way — represents the portion of that total which is made up of new registrations during the relevant time period.

Registered apprentice figures from 1990–2002 and those from 2004 onward are not precisely comparable – as a result of the implementation of refined classification and tracking procedures – but do provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when the ITA was formed and only the new registration figure is shown for that time period.

TRAINING PARTICIPANTS

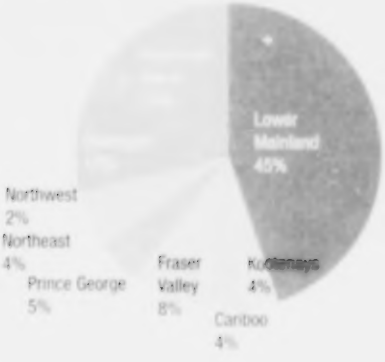
AGE

All Registered Apprentices
as of March 31, 2006

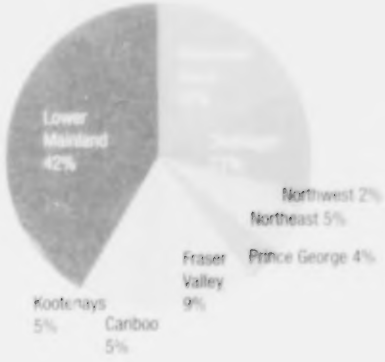
Newly Registered Apprentices
During 2005/06

REGION

All Registered Apprentices
as of March 31, 2006



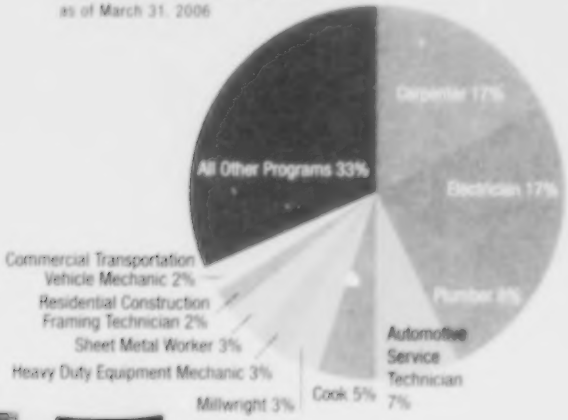
Newly Registered Apprentices
During 2005/06



TRAINING PARTICIPANTS

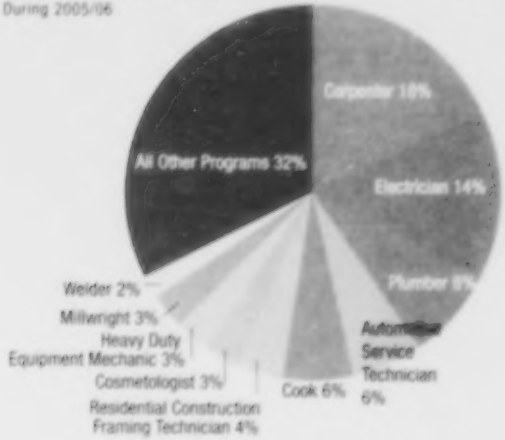
TOP TRAINING PROGRAMS

By Number of Registered Apprentices
as of March 31, 2006



TOP TRAINING PROGRAMS

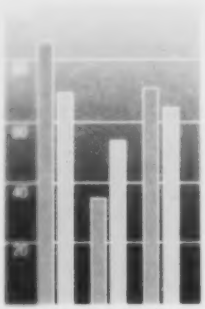
By Number of Newly Registered Apprentices
During 2005/06



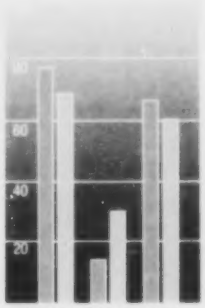
BC AND NATIONAL EXAMINATION PASS RATES

Carpenter

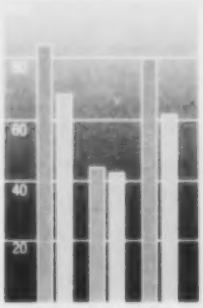
Electrician



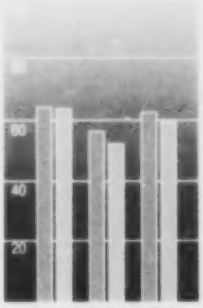
Plumber



Automotive Service Technician

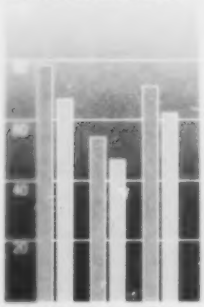


Cook

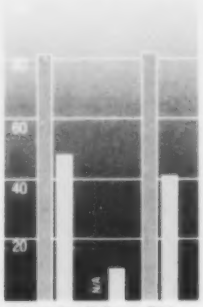


Millwright

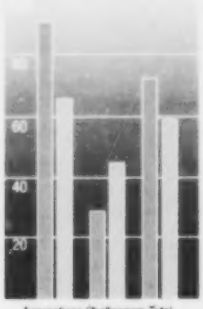
Heavy Duty Equipment Mechanic



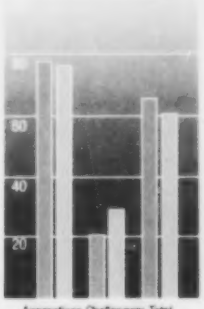
Sheet Metal Worker



Comm. Transportation Vehicle Mechanic



Refrigeration Mechanic



GLOSSARY

Accredited Training Programs – Industry training programs that lead to a provincial credential, with an inter-provincial or Red Seal Endorsement.

Apprentice – A person who registers with the Industry Training Authority and pursues an industry training program – combining work-based training with technical or school-based training – with the intent of obtaining an industry training credential.

Apprenticeship Technical Training – The institution-based component of an industry training program, consisting of instruction and evaluation in classroom and shop settings and/or via distance learning.

Challenge Exams – Exams written by people who have not taken part in the apprenticeship technical training, but who believe they have otherwise acquired the knowledge necessary to pass a particular exam (either a level or certification exam).

Competency-Based Assessment – Assessments, typically based at least in part on practical evaluations, of skills already acquired by an individual prior to starting an industry training program or upon application for a credential.

Customer Satisfaction Index – A score representing the overall level of satisfaction with customer service provided by the Industry Training Authority, based on a representative survey of members of key customer groups. The score is a weighted average of the responses from these groups.

Entry Level Trades Training (ELTT) – Any of a variety of pre-apprenticeship programs offered by colleges and private training providers which are intended as an entry point to industry training programs (and provide some credit towards completion of them).

Industry Training Credential Certification – Formal recognition that an individual has successfully completed an industry training program. In British Columbia, an industry training credential takes the form of a provincial Certificate of Qualification, possibly with an inter-provincial or Red Seal endorsement.

Industry Training Organization – An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs within a particular economic sector (e.g., horticulture, residential construction, automotive repair).

Industry Training Program – An occupation-specific program involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion.

Inter-Provincial Computerized Examination Management System (ICEMS) – A database shared among Canadian jurisdictions, used to generate exams for the Red Seal trades, and to compile, score and analyze results.

Recognized Training Programs – Industry training programs that lead to a provincial credential, to which an inter-provincial or Red Seal endorsement is not applicable.

Red Seal – An inter-provincial program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Sponsor – An individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Stakeholder Awareness Index – A score representing the overall awareness of the Industry Training Authority and key aspects of the industry training system, based on a representative survey of members of key stakeholder groups. The score is a weighted average of the responses from these groups.

INDUSTRY TRAINING AUTHORITY
1223 - 13351 Commerce Parkway
Richmond, British Columbia V6V 2X7
Telephone 604.214.8700
Fax 604.214.8701
info@itabc.ca
www.itabc.ca

BRITISH
COLUMBIA
The Best Place on Earth